

IRS News Release

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IRS, Treasury Release Guidance on Expatriation Reporting Requirements

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WASHINGTON – Today Treasury and the IRS announced the release of Notice 2005-36 and revised Form 8854, Initial and Annual Expatriation Information Statement. The notice and the revised form and its instructions address the significant changes made by the American Jobs Creation Act of 2004 (AJCA) to the tax and information reporting rules affecting individuals who lose their U.S. citizenship or long-term resident status after June 3, 2004.

In addition to imposing new information reporting requirements on former citizens and long-term residents, AJCA provides that former citizens and long-term residents will continue to be taxed as U.S. citizens or residents until they (1) notify the Department of State of loss of citizenship or the Department of Homeland Security of termination of permanent resident status and (2) file an initial expatriation information statement with the IRS.

Form 8854, Initial and Annual Expatriation Information Statement, has been revised to permit individuals to meet the new notification and information reporting requirements imposed by AJCA. In particular, Form 8854 has been expanded so that it functions as both the initial and the annual expatriation information statements required by AJCA. Revised Form 8854 and its instructions also address how individuals should certify (in accordance with the new law) that they have met their federal tax obligations for the five preceding taxable years and what constitutes notification to the Department of State or the Department of Homeland Security.

Notice 2005-36 provides special rules for individuals who file the revised Form 8854 by June 15, 2005. Treasury and the IRS recognize that until the revised Form 8854 was released, individuals who lost U.S. citizenship or terminated long-term resident status after June 3, 2004 did not know how to meet the new notification and information reporting requirements imposed by AJCA. Accordingly, Notice 2005-36 provides that if an individual who loses U.S. citizenship or terminates long-term resident status after June 3, 2004 files the revised Form 8854 by June 15, 2005, the individual will be treated as having met his or her reporting obligations on the date on which the taxpayer provided the requisite notice to the Department of State or the Department of Homeland Security.

Form 8854 and its instructions are available at the agency Web site, IRS.gov, but will no longer be obtainable from U.S. embassies or consulates abroad. Individuals in the United States may contact the IRS toll-free at 1-800-829-1040 for more information (1-800-829-

4059 for TTY/TDD). If overseas, individuals may contact the IRS at (215) 516-2000 (English-speaking only and not a toll-free number).